

5673.0.55.003 - Wage and Salary Earner Statistics for Small Areas, Time Series, 2005-06 to 2010-11

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INTRODUCTION

In 2010-11, a total of 10,039,401 Australians who lodged tax forms reported income from Wages and salaries. For the same year, \$521.3 billion or 80.6% of total income (from all sources) came from Wages and salaries specifically.

While average Wages and salaries income for all Australia (persons) in 2010-11 was \$51,923, males recorded a higher average of \$62,699 compared with \$40,312 for females. In addition, younger people (aged 15-34 years) recorded an average Wages and salaries income of \$40,055, well under the national average (\$51,923). The greater participation in part-time work by females and 15-34 year olds has impacted on these results.

As the economic well-being of most Australians is largely affected by the amount of income they receive, the analysis of geographical variations in Wages and salaries over time can provide valuable information about relative advantage and disadvantage in regions and the nature of regional economies in general. While not directly covered by the information in this publication, wealth is also recognised as an important contributor to economic well-being; some people on low incomes may have property and business assets to draw on, whilst others on high incomes may also have high levels of debt.

Using the Australian Statistical Geography Standard (ASGS), data are provided for a variety of new regions: Statistical Area Level 2 (SA2s); Statistical Area Level 3 (SA3s); Statistical Area Level 4 (SA4s); and Greater Capital City Statistical Area (GCCSAs). Local Government Area (LGA) details are also provided, along with state and territory information.

Wage and salary earner statistics in this issue are primarily presented for the 2010-11 financial year, although some time series information (going back to 2005-06) is available in this summary and the data cubes attached to this publication.

This article illustrates ways that Wages and salaries data can be used to explore regional variations in income. Further analysis of regional incomes can be undertaken using the data contained in the spreadsheets in the Downloads tab of this release. Users are also invited to explore the complementary ABS publication, Estimates of Personal Income for Small Areas, Time Series, 2005-06 to 2010-11, (cat. no. 6525.0.55.002), which expands the coverage of income to also include earnings from Investment, Superannuation and annuities, Own unincorporated businesses and other sources. Broader, multifaceted data for small regions can be found in the ABS's National Regional Profile.

The statistics presented here have been compiled using aggregated individual income data for postcodes from the Australian Taxation Office (ATO). The Australian Bureau of Statistics (ABS) has confidentialised and transformed the source data further, to enable its release for smaller geographic regions. The ABS wishes to acknowledge the ATO for its support in compiling these statistics.

Readers should note that some data for Local Government Areas and earlier years have recently been revised - they may differ from details published previously. A more direct geographical conversion and data randomisation process has been applied, leading to higher quality estimates.

SUMMARY STATISTICS, AUSTRALIA, 2010-11

On average, Australians earned \$51,923 in Wages and salaries income in 2010-11. Table 1 shows the Australian Capital Territory with the highest average of \$60,987, followed by Western Australia (\$57,365) and the Northern Territory (\$54,082). 2010-11 was the first time in recent years that New South Wales missed the 'top three'.

The lowest average Wages and salaries income levels were recorded by Tasmania (\$43,521) and South Australia (\$46,551).

Average Wages and salaries were higher in the Greater Capital City Statistical Areas than the rest of each state or territory. This held for all jurisdictions. The difference was most pronounced in New South Wales, with average Wages and salaries for Greater Sydney (\$57,612) exceeding the Rest of NSW level (\$46,514) by \$11,098 for 2010-11. The gap narrowed for Tasmania with an average Wages and salaries income differential of just \$3,871 between Greater Hobart and Rest of Tasmania.

The largest percentage of Australia's 10 million Wage and salary earners were found in New South Wales (31.3%), Victoria (24.7%), Queensland (20.1%) and Western Australia (10.8%), reflecting the larger populations in those states. Table 1 summarises the key findings for 2010-11.

Table 1. WAGE AND SALARY EARNERS SUMMARY, AUSTRALIA, 2010-11

Region	Wage and salary earners(a) no.	Wage and salary earners as a percentage of Australian total(a) %	Total Wages and salaries income(a) \$ billion	Wages and salaries income as a percentage of Australian total(a) %	Average annual Wages and salaries income \$
New South Wales	3 146 772	31.3	169.7	32.6	53 917
Greater Sydney	2 099 196	20.9	120.9	23.2	57 612
Rest of NSW	1 047 576	10.4	48.7	9.3	46 514
Victoria	2 482 112	24.7	124.8	23.9	50 276
Greater Melbourne	1 902 715	19.0	99.8	19.1	52 470
Rest of Victoria	579 397	5.8	25.0	4.8	43 072
Queensland	2 018 871	20.1	100.7	19.3	49 863
Greater Brisbane	1 005 982	10.0	52.5	10.1	52 171
Rest of Queensland	1 012 889	10.1	48.2	9.2	47 571
South Australia	711 763	7.1	33.1	6.4	46 551
Greater Adelaide	561 193	5.6	26.9	5.2	47 862
Rest of South Australia	150 570	1.5	6.3	1.2	41 665
Western Australia	1 087 230	10.8	62.4	12.0	57 365
Greater Perth	866 313	8.6	50.4	9.7	58 181
Rest of WA	220 917	2.2	12.0	2.3	54 168
Tasmania	219 536	2.2	9.6	1.8	43 521
Greater Hobart	97 596	1.0	4.5	0.9	45 671
Rest of Tasmania	121 940	1.2	5.1	1.0	41 800
Northern Territory	86 293	0.8	4.7	0.9	54 082
Greater Darwin	61 839	0.6	3.5	0.7	55 788
Rest of NT	24 454	0.2	1.2	0.2	49 768
Australian Capital Territory	192 722	1.9	11.8	2.3	60 987
Australia(b)	10 039 401	100.0	521.3	100.0	51 923

(a) State and territory totals may not exactly match the sum of their components due to rounding.

(b) Totals for Australia include data for Wage and salary earners from the Other Territories and region/s unknown. Hence they do not exactly match the sum of the State/Territory components.

Table 2 presents Wages and salaries income from another perspective - percentage distribution across 5 broad income ranges:

Table 2. PERCENTAGE DISTRIBUTION OF EARNERS, SELECTED WAGES AND SALARIES INCOME RANGES, AUSTRALIA, 2010-11

Region	\$0 to less than \$15 600(a) %	\$15 600 to less than \$31 200 %	\$31 200 to less than \$52 000 %	\$52 000 to less than \$78 000 %	\$78 000 and over %
New South Wales	17.7	17.1	25.0	20.5	19.7
Greater Sydney	16.9	16.3	24.0	21.2	21.7
Rest of NSW	19.3	18.8	27.0	19.0	15.8
Victoria	18.4	17.5	26.2	21.1	16.8
Greater Melbourne	17.6	16.9	25.7	21.7	18.2
Rest of Victoria	21.0	19.6	28.0	19.4	11.9

Queensland	18.1	17.3	26.5	21.0	17.0
Greater Brisbane	17.0	16.2	26.2	22.6	18.0
Rest of Queensland	19.2	18.4	26.9	19.5	16.0
South Australia	18.4	18.0	28.4	21.2	14.0
Greater Adelaide	17.5	17.5	28.4	21.9	14.7
Rest of South Australia	21.8	19.9	28.3	18.7	11.3
Western Australia	17.5	16.3	22.2	20.1	23.9
Greater Perth	17.2	16.0	22.2	20.8	23.8
Rest of WA	19.0	17.3	22.0	17.7	24.0
Tasmania	19.8	18.9	29.3	20.4	11.6
Greater Hobart	18.8	17.7	28.7	21.7	13.1
Rest of Tasmania	20.7	19.9	29.8	19.3	10.3
Northern Territory	14.3	15.0	24.1	25.6	21.1
Greater Darwin	12.8	14.5	23.8	26.8	22.0
Rest of NT	18.0	16.2	24.7	22.4	18.7
Australian Capital Territory	14.4	12.6	19.1	25.3	28.6
Australia(b)	18.1	17.2	25.4	20.9	18.5

(a) Some Wage and salary earners on low incomes are excluded from this category since they are not required to lodge tax forms.

(b) Data for Australia includes details for Wage and salary earners from the Other Territories and region/s unknown.

Tasmania had 19.8% of its Wage and salary earners in the lowest (\$0 to less than \$15,600) income range, more than the corresponding national level of 18.1%. High proportions were also recorded by South Australia and Victoria - both with 18.4%.

At the higher end of the income range, 18.5% of Wage and salary earners in Australia received \$78,000 and over. Of all jurisdictions, the Australian Capital Territory was the highest, with 28.6% of its Wage and salary earners reporting incomes of \$78,000 and over - followed by Western Australia (23.9%) and the Northern Territory (21.1%). The Greater capital city regions tended to have a higher percentage of high income earners with the exception of Western Australia - where 24.0% of Wage and salary earners in the Rest of Western Australia reported incomes of \$78,000 and over, compared with 23.8% for Greater Perth.

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AVERAGE ANNUAL GROWTH RATES, AUSTRALIA, 2005-06 TO 2010-11

Graph 1 and Table 3 show average annual growth rates for Wages and salaries income between 2005-06 to 2010-11. Of all jurisdictions, Western Australia recorded the highest average annual growth rate of 6.9%. Its component regions, Greater Perth (7.0%) and the Rest of WA (6.8%) were similarly prominent. Queensland was second ranked, recording an average annual growth rate of 5.5%. Its component regions, Greater Brisbane and the Rest of Queensland, grew by 5.5% and 5.6% respectively.

Of the States and Territories, New South Wales (4.4%) and Victoria (4.4%) recorded the lowest average annual growth rate over the period with Greater Sydney recording the lowest growth of all Greater capital city regions (4.2%), followed by Greater Melbourne (4.3%).

Graph 1. AVERAGE ANNUAL GROWTH RATES, WAGES AND SALARIES, 2005-06 TO 2010-11

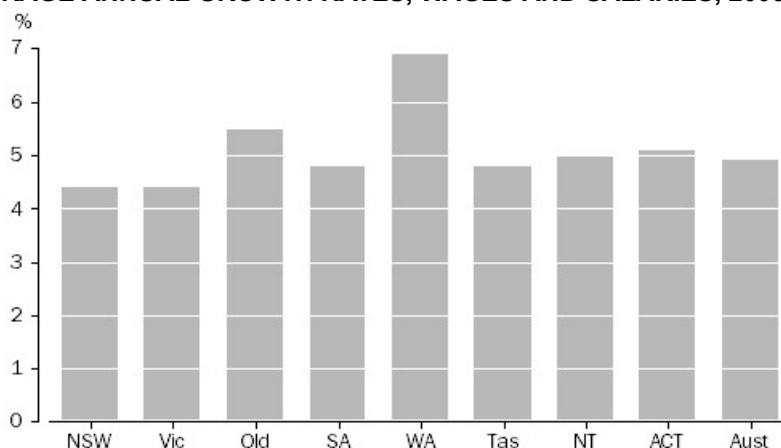


Table 3. AVERAGE ANNUAL GROWTH RATES, WAGES AND SALARIES INCOME, 2005-06 TO 2010-11

Region	2005-06 Average annual Wages and salaries income \$	2010-11 Average annual Wages and salaries income \$	Average annual growth rate %
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New South Wales	43 527	53 917	4.4
Greater Sydney	46 940	57 612	4.2
Rest of NSW	36 744	46 514	4.8
Victoria	40 485	50 276	4.4
Greater Melbourne	42 453	52 470	4.3
Rest of Victoria	34 303	43 072	4.7
Queensland	38 072	49 863	5.5
Greater Brisbane	39 851	52 171	5.5
Rest of Queensland	36 289	47 571	5.6
South Australia	36 890	46 551	4.8
Greater Adelaide	38 043	47 862	4.7
Rest of South Australia	32 657	41 665	5.0
Western Australia	41 075	57 365	6.9
Greater Perth	41 544	58 181	7.0
Rest of WA	39 023	54 168	6.8
Tasmania	34 346	43 521	4.8
Greater Hobart	36 074	45 671	4.8
Rest of Tasmania	32 931	41 800	4.9
Northern Territory	42 277	54 082	5.0
Greater Darwin	44 315	55 788	4.7
Rest of NT	38 512	49 768	5.3
Australian Capital Territory	47 602	60 987	5.1
Australia(a)	40 787	51 923	4.9

(a) Data for Australia includes for Wages and salaries income from the Other Territories and region/s unknown.

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SELECTED DATA FOR SMALL REGIONS

Of all Statistical Area Level 2 (SA2) regions in Australia for 2010-11, Mosman in Greater Sydney recorded the highest annual average Wages and salaries income of \$123,235. This was followed by Hunters Hill-Woolwich and Double Bay-Bellevue Hill, recording averages of \$106,695 and \$100,443 respectively. Table 4 shows that these three SA2 regions were also prominent in terms of average annual total income from all sources (including Investment and Own unincorporated business income). In fact Mosman, Double Bay-Bellevue Hill and Hunters Hill-Woolwich were ranked second, third and fourth nationally, for average annual total income from all sources in 2010-11.

As table 4 shows, Woollahra - 5 km east of Sydney's CBD - made both listings, with average annual Wages and salary income at \$99,527 and average annual total income (all sources) at \$124,644. According to the 2011 Population Census, Legal and accounting services, Auxiliary finance and investment services and Depository financial intermediation were the main industry groups employing the residents of Woollahra.

The beach-side region of Cottesloe in western Perth also made both top ten listings. The 2011 Population Census found that the lead industry groups employing Cottesloe residents in 2011 were: Architectural, engineering and technical services; Hospitals; and Legal and accounting services. For more background information, see the ABS Basic Community Profiles, Quickstats and The National Regional Profile, 2007-2011.

From another perspective, Toorak in Greater Melbourne and Dover Heights in eastern Sydney had high average total income from all sources, while not featuring in the Wages and salaries income top ten. This shows the greater prominence of other sources of income for these two regions.

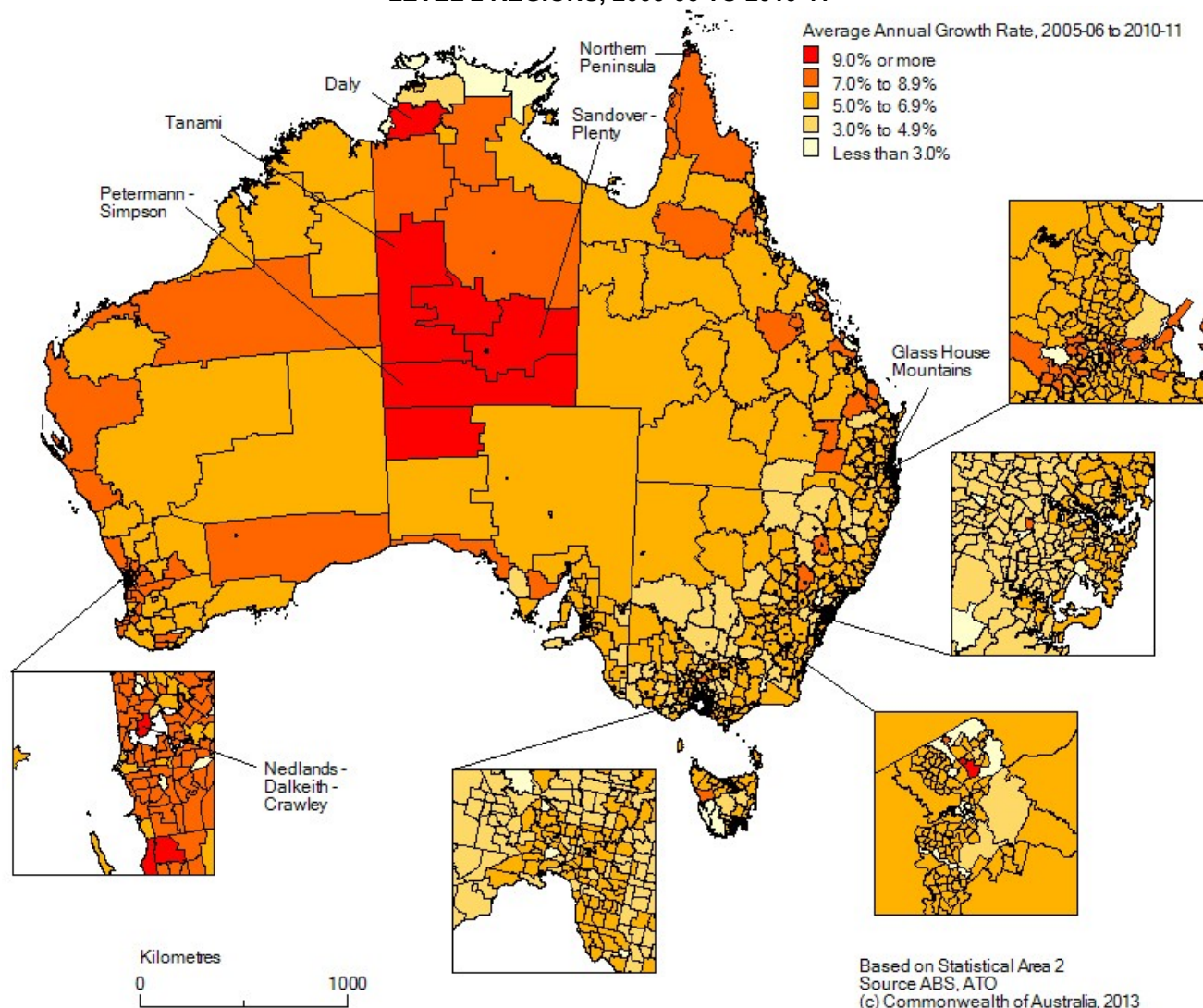
Table 4. AVERAGE WAGES AND SALARIES AND AVERAGE TOTAL INCOME, TOP TEN REGIONS IN AUSTRALIA, 2010-11

Top 10 SA2s	Average annual Wages and salaries income \$	Top 10 SA2s	Average annual total income (all sources)(a) \$
Mosman	123 235	Toorak	150 548
Hunters Hill-Woolwich	106 695	Mosman	142 773
Double Bay-Bellevue Hill	100 443	Double Bay-Bellevue Hill	141 544
Willoughby-Castle Cove-Northbridge	99 649	Hunters Hill-Woolwich	138 007
Woollahra	99 527	Cottesloe	125 411
Balmain	97 792	Dover Heights	125 350
Gordon-Killara	94 598	Rose Bay-Vaucluse-Watsons Bay	125 091
Lindfield-Roseville	94 537	Woollahra	124 644
City Beach	94 342	Nedlands-Dalkeith-Crawley	116 269
Cottesloe	93 548	Peppermint Grove-Mosman Park	116 253

(a) Data source: Estimates of Personal Income for Small Areas, Time Series, 2005-06 to 2010-11, ABS cat. no. 6525.0.55.002. 'All Sources' includes income from Investments, Superannuation and annuities, Own unincorporated business income and Other sources - as well as Wages and salaries.

Map 1 shows considerable variation in average annual growth rates for Wages and salaries income in SA2 regions across Australia, from 2005-06 to 2010-11. The majority of regions with growth rates over 9% were located in the Northern Territory, for example Daly (up 11.2%), Sandover-Plenty (9.0%), Petermann-Simpson (9.0%) and Tanami (9.0%). These SA2 regions tended to have 'high growth' from a low average income base; none recorded an average annual Wages and salaries income above the Australia level (\$51,923).

Map 1. GROWTH RATES IN AVERAGE ANNUAL WAGES AND SALARIES INCOME, STATISTICAL AREA LEVEL 2 REGIONS, 2005-06 TO 2010-11



Outside of the Territory, the Northern Peninsula SA2 in Queensland and Nedlands-Dalkeith-Crawley in Western Australia were also prominent, recording growth rates of 10.1% and 9.6% respectively.

Situated on the coastal plain of Queensland's Sunshine Coast, Glass House Mountains was the only SA2 in Australia to record a negative average annual growth rate (of -3.7%) in Wages and salaries income, over 2005-06 to 2010-11. This region services the Glass House Mountains National Park. It also holds cultural significance for the Indigenous people of south-east Queensland. The 2011 Population Census found that the Glass House Mountains main employing industry groups were Fruit and tree nut growing, School education, and Cafes, restaurants and takeaway food services. Fluctuating demand in ecotourism - coupled with a growing segment of its population nearing retirement age - may have influenced the recent decline in average Wages and salaries income.

As noted for some Northern Territory regions, high growth rates do not necessarily equate with high Wages and salaries incomes, nor do low growth rates and low incomes always coincide. It can be useful to interrelate these measures, to put the regional income picture into sharper perspective. Table 5 groups the regions accordingly: whether their average annual incomes in 2010-11 fell in the top or bottom 20% of all SA2s; and whether their average growth rate in average Wages and salaries (over 2005-06 to 2010-11) was above or below the Australian level of 4.9%.

Table 5. SELECTED SA2 REGIONS BY HIGH/LOW AVERAGE ANNUAL WAGES AND SALARIES INCOME

AND GROWTH RATE

	High income(a)	Low income(b)
High growth(c)	Mosman (NSW) Willoughby-Castle Cove-Northbridge (NSW) Woollahra (NSW) Balmain (NSW) Gordon-Killara (NSW)	Victoria River (NT) Elsley (NT) Tanami (NT) Sandover-Plenty (NT) Petermann-Simpson (NT)
Low growth(d)	Hunters Hill-Woolwich (NSW) Dover Heights (NSW) Rose Bay-Vaucluse-Watsons Bay (NSW) Cremorne-Cammeray (NSW) Paddington-Moore Park (NSW)	Gayndah-Munduberra (Qld) Robinvale (Vic) Sydney-Haymarket-The Rocks (NSW) Kangaroo Island (SA) Loxton Region (SA)

(a) Average annual Wages and salaries income in 2010-11 was in the top quintile - above \$57,655.

(b) Average annual Wages and salaries income in 2010-11 was in the bottom quintile - below \$41,715.

(c) Average annual growth rate (2005-06 to 2010-11) for Wages and salaries exceeded the national growth rate (4.9%).

(d) Average annual growth rate (2005-06 to 2010-11) for Wages and salaries was below the national growth rate (4.9%).

The high income and high growth group included Gordon-Killara on Sydney's upper north-shore, 15 km from the CBD. Gordon-Killara recorded an average Wages and salaries income of \$94,598 in 2010-11, accompanied by an average annual growth rate of 5.8%.

The 2011 Population Census shows Gordon-Killara to have a primarily Australian-born population of slightly older median age (41 years compared with 37 for Australia). Moreover, 50.9% of its employed worked 40 hours or more per week, often in highly skilled occupations. Professionals and Managers comprised 61.3% of occupational employment for Gordon-Killara's working residents in 2011. The main employing industries for Gordon-Killara's residents were Professional, scientific and technical services (17.8% of total employment), Health care and social assistance (12.5%) and Financial and insurance services (11.2%).

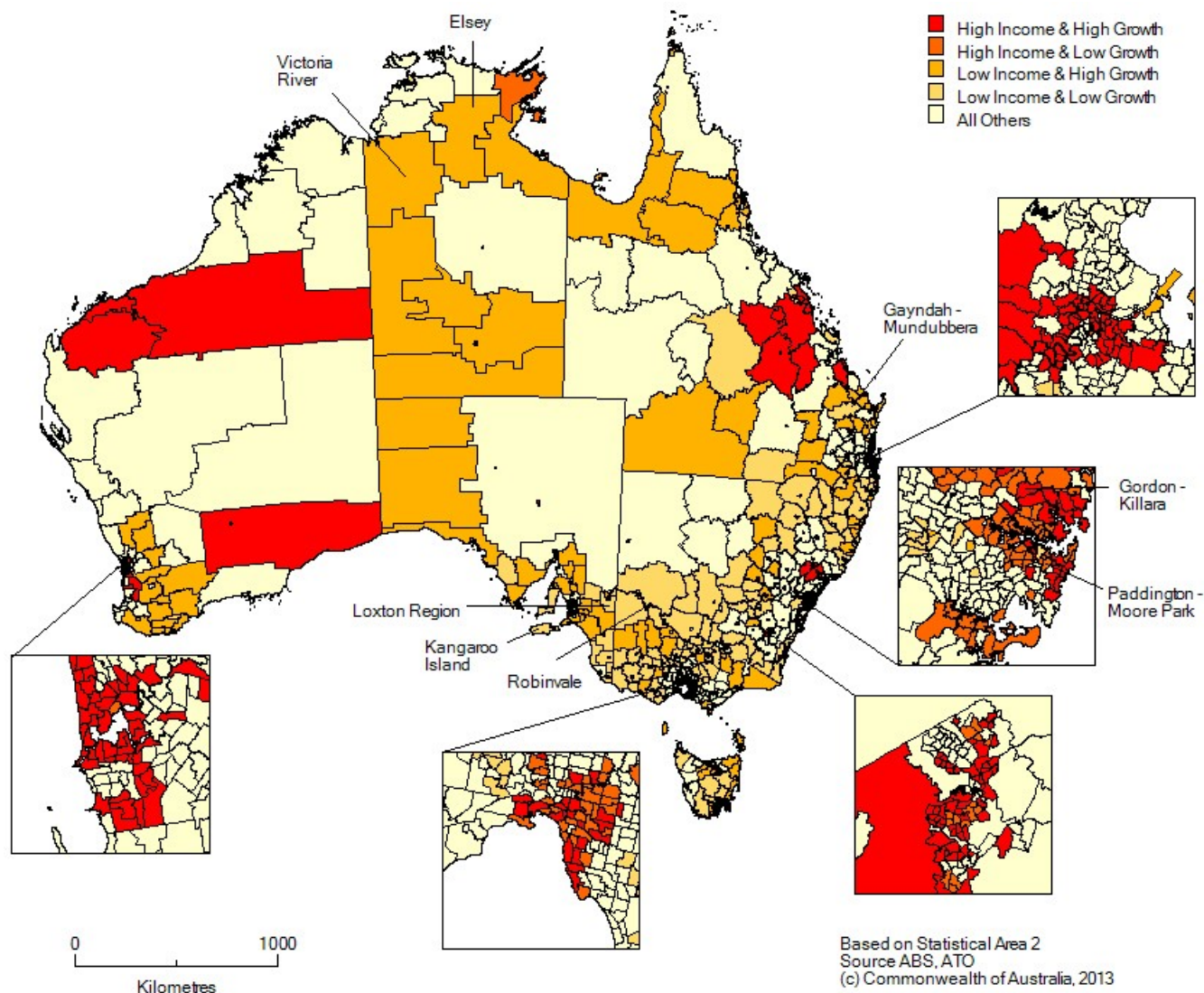
The high income and low growth rate group included the historic inner Sydney region of Paddington-Moore Park. This region recorded an average Wages and salaries income of \$90,955 in 2010-11, along with an average annual growth rate of 4.3%. Residents of Paddington-Moore Park tended to be younger (median age of 35 years). According to the 2011 Population Census, they worked longer hours per week - 62.3% worked 40 hours or more - often in highly skilled and highly paid occupations. For example, 65.9% were Professionals and Managers. Major employing industry groups for Paddington-Moore Park residents included Legal and accounting services (7.0%), Auxiliary finance and investment services (6.0%) and Depository financial intermediation (3.9%).

The low income and high growth rate combination is exemplified by Victoria River, a region to the immediate west of Arnhem Land in the Northern Territory. Average annual wages and salaries income for this region was \$31,430 in 2010-11 while the average annual growth rate over 2005-06 to 2010-11 was 7.0%. According to the 2011 Population Census, Victoria River has a young population (with a median age of 24 years) and 63.4% of its usual residents are Aboriginal. Almost one half (48.9%) of its employed population works in the Sheep, beef cattle and grain farming and Local Government administration industry groups.

Two SA2 regions in the low income and low growth rate group were Robinvale (Victoria) and Kangaroo Island (SA). Robinvale recorded average Wages and salaries income of \$33,095 in 2010-11 and a corresponding average annual growth rate of 4.2%. Kangaroo Island recorded a similarly low average income of \$33,592 and the same growth rate (4.2%). Information from the 2011 Population Census suggests that these two regions are otherwise quite different. The median age of Robinvale's resident population matches that of Australia - 37 years - while Kangaroo Island's population is considerably older (with a median age of 46 years). For the former, over one third of its employed residents worked in Fruit and tree nut growing and Other food product manufacturing, while for the latter, the main employing industry groups were Sheep, beef cattle and grain farming and Accommodation (related to tourism activity).

Map 2 shows the geographical distribution of all SA2s in Australia according to the four income/growth categories in Table 5. It is apparent that broader regions with high average incomes and high growth rates included SA2s in the metropolitan areas of Sydney, Brisbane and Perth and the more remote mining areas in Western Australia and Queensland.

Map 2. AVERAGE WAGES AND SALARIES INCOME FOR 2010-11 AND GROWTH RATES, STATISTICAL AREA LEVEL 2 REGIONS, 2005-06 TO 2010-11



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WAGE AND SALARY EARNERS BY AGE

Background

An ageing workforce and the need for long-term skills continuity - along with limited employment opportunities for younger people in some regions - have all been foci of community interest and government policy in recent times. See ABS Research Paper: A Review of Regional Development Australia Committee Regional Plans. (Endnote 1). The Productivity Commission has recently put forward the idea of pension eligibility rising to 70 years of age. See An Ageing Australia: Preparing for the Future. Reflecting such issues, this section summarises those regions with a higher proportion of older and younger Wage and salary earners.

Regions with a high proportion of Wage and salary earners aged 55 and over

In 2010-11, the five SA2 regions in Australia with the highest percentage of Wage and salary earners aged 55 years and over, were all located outside of the capital city regions. Queenscliff - on the Great Ocean Road in south-western Victoria - had the highest proportion at 30.7%, compared with 16.2% nationally. The Queenscliff result was not surprising given its older demographic profile; 49.8% of its population was aged 55 years and over, compared with just 25.6% nationally, according to the 2011 Population Census.

Queenscliff is within close proximity to the major city of Geelong, offering residents a rural lifestyle along with relatively close access to city services and employment. The 2011 Population Census found that the main employing industries for Queenscliff's older Wage and salary earners were Education and training (14.4%), Health care and assistance (13.9%) and Professional, scientific and technical services (10.6%).

Other prominent regions (also in Victoria) were Paynesville, Portarlington and Beechworth, all with over 29% of their Wage and salary earners aged 55 years and over. See table 6, below.

Caloundra Hinterland, is located inland from the Sunshine Coast, in south-eastern Queensland. In 2010-11, it had

839 Wage and salary earners aged 55 years and over, comprising 29.4% of the region's total Wage and salary earner population. This result is perhaps to be expected; 42.5% of its population was found to be 55 years and over at the 2011 Population Census.

According to the 2011 Population Census, the main employing industries for Caloundra Hinterland's older workers were Health care and social assistance (14.0%), Education and training (11.3%) and Agriculture, forestry and fishing (10.6%).

Interestingly, all top five SA2s recorded Average Wages and salaries incomes considerably lower than the corresponding national average for 55 year olds and over - \$51,466. For example, Queenscliff had an average of \$45,676 in 2010-11, while Portarlington recorded just \$35,651.

Table 6. WAGE AND SALARY EARNERS AGED 55 YEARS AND OVER, FIVE HIGHEST PROPORTION SA2s, 2010-11

Statistical Area Level 2	no.	% of all Wage and salary earners in region	Average Wages and salaries income (\$)
Queenscliff (Vic)	478	30.7	45 676
Paynesville (Vic)	579	29.9	39 981
Portarlington (Vic)	664	29.6	35 651
Beechworth (Vic)	551	29.6	38 658
Caloundra Hinterland (Qld)	839	29.4	41 691

Regions with a high proportion of Wage and salary earners aged 15-34 years

In 2010-11, the top five regions - in terms of having the highest proportion of Wage and salary earners aged 15-34 years - were located in the inner city areas of Sydney, Melbourne and Brisbane. According to the 2011 Population Census, these regions typically contained high numbers of students, high proportions of renters and high proportions of single or group households.

In 2010-11, Sydney-Haymarket-The Rocks (a 4.3 square km region within Sydney's CBD) had the highest percentage of resident Wage and salary earners aged 15-34 years, at 84.6%. This was more than double the corresponding level for Australia overall (41.2%).

According to the 2011 Population Census, 62.2% of the total resident population of Sydney-Haymarket-The Rocks was aged 15-34 years. This region had a median age of 29 years, much lower than the national median (37 years). Country of birth for its residents ranged from Australia (19.1%) and China (11.9%) to Indonesia (8.5%), Thailand (8.0%) and Korea (5.5%). Over 41% of the residents of Sydney-Haymarket-The Rocks were attending University (or similar tertiary) institutions, or Technical or Further Education institutions. The main industries employing this region's younger Wage and salary earners were Accommodation and food services (27.6%), Professional, scientific and technical services (13.9%), Financial and insurance services (12.2%) and Retail trade (10.4%).

As table 7 shows, the five regions with the highest proportion of Wage and salary earners aged 15-34 years had relatively low average annual Wages and salaries incomes - ranging from \$21,855 for Sydney-Haymarket-The Rocks to \$36,397 for Melbourne. The equivalent national average for this age group was much higher at \$40,055. In part this reflects the higher incidence of part-time work within these inner city SA2s as young people mix their work with study commitments.

Table 7. WAGE AND SALARY EARNERS AGED 15-34 YEARS, HIGHEST PROPORTION SA2s, 2010-11

Statistical Area Level 2	no.	% of all Wage and salary earners in region	Average Wages and salaries income (\$)
Sydney-Haymarket-The Rocks (NSW)	25 159	84.6	21 855
Melbourne (Vic)	8 417	73.6	36 397
Brisbane City (Qld)	4 527	71.8	33 412
Spring Hill (Qld)	2 899	71.7	33 659
Carlton (Vic)	4 033	70.2	35 474

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WAGE AND SALARY EARNERS BY SEX

This section examines Wage and salary earners in regions by sex, highlighting the five regions with the highest proportion of female wage and salary earners, and the five regions with the highest proportion of male wage and

salary earners.

Regions with a high proportion of female Wage and salary earners

Table 8 presents the top five regions in Australia with the highest percentage of female Wage and salary earners.

Taroona-Bonnet Hill is a mainly residential area close to the Hobart CBD which includes a popular, scenic, cycling route and the historic Truganini reserve nearby. In 2010-11, Taroona-Bonnet Hill recorded the highest proportion of female Wage and salary earners - 53.3% compared with 48.2% nationally. In part, this result reflects the Taroona-Bonnet Hill's higher female population share - 50.6% at the 2011 Population Census.

Average Wages and salaries income for females in Taroona-Bonnet Hill was \$40,641, slightly above the corresponding female average for Australia (\$40,312).

According to the 2011 Population Census, 55.8% of females (aged 15 years and over) in Taroona-Bonnet Hill were employed, compared with 53.0% for Australia. The main industries of employment for females resident in Taroona-Bonnet Hill were Education and training (22.4%), Health care and social assistance (22.1%) and Public administration and safety (14.2%).

Also prominent was Elwood, located 8km south of the Melbourne CBD and renowned for its beaches and leafy surrounds. In 2010-11, it had 4,449 female Wage and salary earners, comprising 53.1% of all Wage and salary earners (persons) in that region. The average Wages and salaries income for Elwood's resident females was \$57,610, placing this region in the top 2% (of all Australia's SA2s) for highest average female income.

Based on the 2011 Population Census figures, 71.5% of females aged 15 years and over in Elwood were employed, much higher than the corresponding national level (53.0%). In Elwood, the main industries of employment for females were Health care and social assistance (15.6%), Professional, scientific and technical services (14.5%) and Education and training (10.9%).

Table 8. SA2 REGIONS WITH THE HIGHEST PROPORTION OF FEMALE WAGE AND SALARY EARNERS, Australia, 2010-11

Statistical Area Level 2	no.	% of all Wage and salary earners in region	Average Wages and salaries income (\$)
Taroona-Bonnet Hill (Tas)	881	53.3	40 641
Fitzroy North (Vic)	3 288	53.2	54 425
Elwood (Vic)	4 449	53.1	57 610
Brunswick Heads-Ocean Shores (NSW)	1 509	52.7	36 245
Queenscliff (Vic)	821	52.7	32 199

Regions with a high proportion of male Wage and salary earners

Of all SA2 regions in Australia, Welshpool (located in Perth's inner south-east) recorded the highest proportion of male Wage and salary earners (72.4%). However this percentage came from a relatively low numeric base. Welshpool had just 118 resident males who worked as Wage and salary earners in 2010-11. Nonetheless this small contingent recorded an Average Wage and salary income of \$69,318, exceeding the corresponding level for all males in Australia (\$62,699). Census information suggests that Welshpool is primarily an industrial zone, with relatively few private dwellings and accommodation facilities; hence its low resident population.

The region of Auburn is part of Greater Sydney, home to Sydney's Olympic Park and culturally diverse - with Chinese, Turkish, Lebanese, Indian, Afghani and Australian-born persons. In 2010-11, 61.7% (or 7,781) of Auburn's Wage and salary earners were male - making it fifth ranked (in Australia) for this characteristic. This prominence was counterbalanced by an average income of just \$39,144 for its male Wages and salary earners - one of the lowest regional averages recorded in Australia in 2010-11.

According to the 2011 Population Census, 68.1% of Auburn's overall population was born overseas and just 13.5% spoke English exclusively, at home. The main employing industries for Auburn's male residents included Manufacturing (13.3%), Accommodation and food services (11.7%), Construction (11.5%) and Transport, postal and warehousing (9.6%).

Other prominent regions (with a high percentage of male Wage and salary earners) in 2010-11 were Lakemba-Wiley Park (NSW), Eagle Farm-Pinkenba (Qld) and Malaga (WA).

Table 9. SA2 REGIONS WITH THE HIGHEST PROPORTION OF MALE WAGE AND SALARY EARNERS,

Australia, 2010-11

Statistical Area Level 2	no.	% of all Wage and salary earners in region	Average Wages and salaries income (\$)
Welshpool (WA)	118	72.4	69 318
Lakemba-Wiley Park (NSW)	6 112	65.5	39 741
Eagle Farm-Pinkenba (Qld) (a)	92	63.9	56 354
Malaga (WA) (a)	92	62.9	57 069
Auburn (NSW)	7 781	61.7	39 144

(a) Both SA2s recorded >100 Wage and salary earners (total persons) in 2010-11, Hence included.

About this Release

This product provides summary data for Wage and salary earners spanning 2005-06 to 2010-11.

The data cubes contain various cross-tabulations of the characteristics of Wage and salary earners such as age, sex, occupation and Wage and salary income. Data are presented for each Statistical Area Level 2 region (SA2) and other geographies within the new Australian Statistical Geographic Standard classification - along with Local Government Areas (LGA) in Australia.

These data have been compiled from the Australian Taxation Office's (ATO) Individual Income Tax Return Database and forms part of Australian Bureau of Statistics (ABS) initiatives to increase the range and variety of publicly available regional statistics, using administrative information from other government agencies.

Explanatory Notes

Explanatory Notes

INTRODUCTION

1 This release contains regional estimates for persons aged 15 years and over who lodged tax forms and received income from Wages and salaries in the 2010-11 financial year. Time series information spanning 2005-06 to 2010-11 is also provided.

2 The estimates in this release include the number of persons, their income from Wages and salaries, and characteristics such as age, sex and occupation. Some key data items in this series - for example, number of persons, total income and average income - have already been released in Estimates of Personal Income for Small Areas, Time Series, 2005-06 to 2010-11(cat. no. 6524.0.55.002).

3 This is the second issue to use the Australian Statistical Geography Standard (ASGS) boundaries. For more information, see the Statistical Geography Portal on the ABS website and paragraphs 47 to 55 below. Data are presented for geographies including Statistical Area Level 2 (SA2), Statistical Area Level 3 (SA3), Statistical Area Level 4 (SA4) and Greater Capital City Statistical Area (GCCSA). Data for local government areas (LGAs), in each state and territory of Australia, are also presented.

4 These data have been compiled from postcode level aggregates from the Australian Taxation Office's (ATO) Individual Income Tax Return Database and form part of the Australian Bureau of Statistics' (ABS) program to increase the range of regional statistics available, particularly through the use of administrative information collected by other government agencies. The ABS wishes to acknowledge the ATO for its assistance with the compilation of statistics presented in this release.

BREAKS IN SERIES

5 In recent years there have been temporary breaks in the Wage and salary earners data series, thus limiting its continuity and comparability for some periods. These breaks were associated with the one-off tax bonus introduced as part of the Economic Stimulus Package in response to the Global Financial Crisis. The one-off tax bonus was made available to all individuals whose 2007-08 taxable income was \$100,000 or less, whose adjusted tax liability was greater than zero, and who had filed their 2007-08 tax return by 30 June 2009. The Australian Taxation Office has reported in their *Taxation Statistics* publications that there was a 7.1% increase in individual tax lodgements for the 2007-08 financial year, due in part to individual lodgements being brought forward to access the tax bonus. This was followed by a fall of 2.8% in individual tax lodgements in 2008-09.

6 In the ABS series published in Wage and Salary Earner Statistics for Small Areas, 2003-04 to 2007-08, the number of Wage and salary earners increased by over 8% (to 10.1 million) between 2006-07 and 2007-08, before falling by over 3% in the subsequent financial year. Income derived from Wages and salaries increased by 12.8% (\$50.3 billion) between 2006-07 and 2007-08, but rose by only 2.6% (\$11.4 billion) from 2007-08 to 2008-09. Put differently, temporary series breaks were recorded for both persons and total income received for Wages and salaries. Since 2009-10, however, the data series have returned to a more steady pattern.

7 From 2009, there was a change in the classification used by the ATO to code occupation data. The ATO switched from the Australian Standard Classification of Occupations (ASCO) to the Australian and New Zealand Standard of Occupations (ANZSCO). Hence the occupation groups presented in this issue, for 2009-10 and 2010-11, are not comparable to those featured in earlier issues.

SUMMARY OF CHANGES TO THIS SERIES

8 Since the first issue in this series, there have been a number of other changes in the data items included in Wages and salaries, and in the data released. These changes are outlined in the following paragraphs (9 to 16).

9 Estimates of Wage and salary earner statistics for the years 1995-96 to 2005-06 have previously been released in an Information Paper and in Regional Wage and Salary Earner Statistics, Australia (cat. numbers 5673.0, 5673.0.55.001 and 5673.0.55.003).

10 Data for 1995-96 to 2000-01 included only 'Gross Wage and salary income' and 'Allowances, tips etc' items from the individual tax return. Data for 2001-02 to 2005-06 also included 'Attributable personal services income' in the definition of Wages and salaries.

11 Estimates of Wage and salary earner statistics prior to the 2003-04 to 2006-07 issue related only to persons whose main source of income was from Wages and salaries. From the 2003-04 to 2006-07 issue, estimates of Wage and salary earner statistics related to all persons who received any income from Wages and salaries. Users should exercise caution when comparing data in the 2003-04 to 2006-07 issue with those published in subsequent releases.

12 In this current issue (mainly containing 2010-11 estimates) and in the previous two issues (containing estimates for the years 2003-04 to 2006-07 and 2003-04 to 2008-09) income from Lump sums and Eligible termination payments have been included in Wages and salaries.

13 Since 2008-09, Reportable fringe benefits (gross value adjusted) have been included in total Wage and salary income. Where the value of benefits provided by an employer exceeds \$3,738 in the Fringe Benefits Tax (FBT) reference year (e.g. April 2009 to March 2010), then that value must be reported as the gross taxable value of those benefits on the recipient's payment summary for the similar income year (e.g. 1 July 2009 to 30 June 2010). Since ABS income standards focus on taxable (not gross) values, we have published an adjusted gross value; that is, Reportable fringe benefits adjusted by 0.535 for the 2009-10 data. More information on ATO tax adjustment factors can be obtained from their website: FBT

14 The effect of the inclusion of Reportable fringe benefits (gross value adjusted by 0.535) in Wage and Salary income has been relatively small, increasing the estimate of Total Wages and Salaries income by just over one percent. The back data in this issue (spanning 2005-06 to 2009-10) also incorporates Reportable fringe benefits (gross value adjusted), thus ensuring comparability over recent time.

15 Since 2009-10, Other net foreign employment source income has been identified separately by the ATO on the tax form for individuals (as Question 20T).

16 Prior to 2009-10, Other net foreign employment source income was reported with 'other' income on the tax form and included in the 'Other income (excluding Govt. pensions and allowances)' series. From 2009-10 onwards, however, this item has been included in Wage and salary income, in line with ABS income data standards. The impact on the Wage and salary income series has been minor; an estimated 0.2% increase between 2008-09 and 2009-10.

CONFIDENTIALITY

17 All income statistics for individuals were provided by the ATO as postcode level aggregates. Information about individual taxpayers has not been released to the ABS.

18 The ATO has provided ABS with data for 2010-11, plus back data for 2005-06 to 2009-10. The data have been subject to confidentialisation processes that randomly adjust table cells with small values. Hence caution should be exercised by users when deducing that there are nil people in an area with certain types of income. In general, no reliance should be placed on table cells with small values. The data have been subject to several transformation steps, for example to convert it from postcode to ASGS geographies. See Geographic Correspondences for more

information. In some cases, the confidentialisation process has been applied at each step to provide extra confidentiality.

SCOPE AND COVERAGE

19 The scope of the data relates to persons receiving income from Wages and salaries.

20 Wage and salary earners have been defined as: persons aged 15 years and over who have submitted an individual income tax return and have received Wage and salary income in that financial year.

21 Wage and salary income, as reported on the income tax return, includes:

- gross income as shown on the 'PAYG payment summary - individual non-business';
- allowances, commissions, bonuses, tips, gratuities, consultation fees, honoraria and other payments for services. Allowances and other earnings may include car, travel or transport allowances, allowances for tools, clothing or laundry and dirt, risk, meal or entertainment allowances;
- attributed personal services income;
- eligible termination payments;
- lump sums;
- employee share schemes;
- reportable fringe benefits (gross value adjusted by 0.535); and
- other net foreign employment income.

22 It should be noted that this definition does not take account of whether Wage and salary earners work on a full-time or part-time basis. The tax form does not collect this detail. Naturally, differences in the extent of part-time work may help explain some differences in total and average Wage and salary incomes across regions. Similarly, Wage and salary incomes may be affected by overtime earnings and multiple job holding.

DATA CONSIDERATIONS

23 There are a few data considerations that users should be aware of, when interpreting or analysing the statistics.

24 Persons who receive less than the taxable income threshold are not necessarily required to lodge a tax return. Their details are absent from the ATO database. In this sense, the coverage of low income earners is incomplete in ATO records - and this ABS release.

25 Generally, the ATO considers someone to be an Australian resident for tax purposes if they:

- have either always lived in Australia or have come to Australia to live permanently;
- have been in Australia for more than half of the financial year (unless their usual home is overseas and they don't intend to live in Australia);
- have been in Australia continuously for six months or more and for most of that time have been in the one job and living in the same place;
- are an overseas student enrolled in a course of study for more than six months duration.

Processing of tax returns

26 The data presented in this publication were compiled before the processing of all income tax returns for any given year was completed. Data provided to the ABS by the ATO are from returns processed up to 31 October, 16 months after the end of the financial year. Any returns lodged after this date are not included. Therefore for 2010-11 data, returns processed after 31 October 2013 are not included.

27 Annual revised data is published by the ATO in *Taxation Statistics*, Personal Tax, Table 7 for selected income items. One of these items is 'Salary or wages'. Although this data item is different to the data contained in this release (as it does not include all the items listed in paragraph 21), it can be used to give an indication of the likely direction of change in the number of Wage and salary earners and total Wage and salary income as more tax returns are lodged.

28 As an example, Table 1 below shows that for the 2003-04 income year, an additional 5.1 % of taxpayers earning income from 'Salary or wages' lodged their income tax returns in the six years after the initial processing cut off of 31 October 2005. This translated to a further 5.3% of 'Salary or wages' income being reported, six years onwards.

Table 1. Comparison of ATO Original and revised data - Number of 'Salary or wages' earners and total 'Salary or wages' income, 2003-04

2003-04

Returns lodged as at:	Wage and Salary Earners No.	% Change from 31 October 2005	Total Income from Wages and Salaries \$	% Change from 31 October 2005
31 Oct 2005	8 435 280		305 009 561 208	
31 Oct 2006	8 658 015	2.6	313 953 461 851	2.9
31 Oct 2007	8 747 130	3.7	317 085 266 107	4.0
31 Oct 2008	8 793 750	4.2	318 675 652 655	4.5
31 Oct 2009	8 841 265	4.8	320 280 652 016	5.0
31 Oct 2010	8 855 570	5.0	320 772 352 004	5.2
31 Oct 2011	8 865 995	5.1	321 128 753 043	5.3

30 Due to the later lodgement dates for a small portion of tax returns (as shown above) the data provided in this release under-estimates the total taxable income for a given financial year.

Changes in taxation policy

31 The ATO provides information annually in *Taxation Statistics* on their website about changes that may affect taxation statistics. Changes relating to personal income tax are in each edition of *Taxation Statistics*.

32 For the income year 2010-11, very few changes occurred in the personal income tax reporting beyond:

- the cessation of deductions that individual tax payers could previously claim for investing in the Australian film industry.

33 For the income year 2009-10, a number of changes that may affect Wage and salary earners were noted in Chapter 2 of *Taxation Statistics*, including:

- the change in personal tax thresholds;
- reforms to some entitlements such as tax offsets, deductions and tax concessions and the Medicare levy surcharge;
- the change in treatment of income earned in overseas employment; and
- the changes to the tax treatment of employee share schemes.

34 For the income year 2008-09, a number of changes were noted in Chapter 2 of *Taxation Statistics*, including:

- the change in personal tax thresholds;
- adjustment in the Medicare levy surcharge thresholds; and
- special arrangements for people affected by the bushfires and floods.

35 For the income year 2007-08, a number of changes were noted in Chapter 2 of *Taxation Statistics*, including:

- Personal income tax cuts; and
- The increase in the low income tax offset from \$600 in 2006-07 to \$750 in 2007-08.

36 For the income year 2006-07, the following changes were noted in Chapter 2 of *Taxation Statistics*:

- personal income tax cuts;
- the increase in the low income tax offset from \$235 in 2005-06 to \$600 in 2006-07; and
- the entitlement to claim a tax offset if you have to pay the Medicare levy surcharge as a result of you or your spouse receiving a lump sum payment in arrears.

37 For the income year 2005-06, the following changes were noted in Chapter 2 of *Taxation Statistics*:

- personal income tax cuts; and
- new transition to retirement rules - people aged over 55 could access superannuation benefits without having to retire or leave their job.

COMPARISON WITH OTHER ABS INCOME AND EARNINGS DATA

Survey of Average Weekly Earnings

38 The Survey of Average Weekly Earnings (AWE) is a six monthly sample survey of employing businesses, conducted by the ABS. For further information about the concepts, definitions and methodology of AWE, refer to Labour Statistics - Concepts, Sources and Methods (cat. no. 6102.0.55.001).

39 The AWE collects data on average weekly total earnings for all employee jobs. In Table 2 (see below) this series is annualised and shown for 2006-07 to 2010-11, alongside the corresponding ATO estimates of average Wages and salaries income. Despite some methodological differences, both data series have tracked very closely in recent years, with the ATO estimate falling somewhere in the range of 96-99% of the AWE estimate.

Table 2 - COMPARISON OF ATO AND AWE - AVERAGE ANNUAL WAGE AND SALARY INCOME

	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
ATO	42.6	44.3	46.9	48.9	51.9
AWE(a)	44.2	45.9	47.7	50.4	52.5

(a) Based on original series, November and May (twice yearly) snapshots - annualised.

Survey of Income and Housing

40 The ABS Survey of Income and Housing (SIH) collects information on sources of income, amounts received and the characteristics of persons aged 15 years and over resident in private dwellings throughout Australia. The survey was conducted every year from 1994-95 to 1997-98, and then in 1999-2000, 2000-01 and 2002-03. Since 2003-04, the survey has been conducted every two years. The latest survey data was for 2009-10. Hence a more recent comparison with similar ATO data (for 2010-11) cannot be presented. For further information about the concepts, definitions, metadata, methodology and estimation procedures used in the SIH, please refer to cat. no 6553.0, the Survey of Income and Housing, User Guide.

41 Data collected from SIH can be reasonably compared to ATO data published in this release for the years 2005-06, 2007-08 and 2009-10. Comparison of these data provides a means of assessing data series - of establishing whether counts or estimates are of an expected magnitude.

42 SIH produces estimates of current income as well as estimates of annual income in respect to the previous financial year. Current income refers to income being received at the time the data were collected from respondents.

43 The data used in the following comparison (in Table 3) are based on current income estimates as these are thought to provide a better picture of income earners, are more up to date and are generally reported more accurately than previous financial year estimates.

44 The comparison shows that ATO estimates for total annual Wages and salaries income were lower than SIH income data for all three reference periods, comprising 87.6% of the SIH total in 2009-10.

Table 3. COMPARISON OF ATO AND SIH - TOTAL ANNUAL WAGES AND SALARIES INCOME (a)(b)

	2005-06 \$b	2007-08 \$b	2009-10 \$b
ATO (c)	369.2	446.5	478.7
SIH (d)	402.1	513.1	546.6

a) ATO data includes data that could not be allocated to a state or territory.

b) SIH data is current estimates rather than previous financial year.

c) Series break for ATO data from July 2007. See paragraphs 5 and 6, above.

d) SIH data includes non cash benefits in wage and salary income.

45 The differences observed between the two sets of income data are likely to be as a result of different definitions, collection methodologies (e.g. a sample survey of businesses versus an administrative collection based on individual returns) and data reference periods.

46 The higher SIH wage and salary estimate is in part due to the inclusion of non-cash benefits (including salary sacrificed income) in this income source. Reporting on a current income (rather than previous financial year) basis may also have an impact on the estimates.

STATISTICAL GEOGRAPHY

47 Since 2012, the Australian Statistical Geography Standard (ASGS), July 2011, has been used by the ABS for the collection and dissemination of geographically classified statistics. The ASGS replaces the former Australian Standard Geographic Classification (ASGC), used in earlier years. The ASGS is an essential reference for understanding and interpreting the geographic context of statistics published by the ABS and its use enables

comparability across datasets. The ASGS has been implemented by the ABS, in part, to obtain more consistency in population size across similar region types, to achieve more data stability and continuity and thereby minimise the need for annual geographic review.

48 ATO data at postcode level has undergone a number of transformation steps to produce the required levels of geography for this release. For example, data was converted from postcode to SA2 using a geographic correspondence and then aggregated to other ASGS geographies, such as SA3, SA4 and GCCSA. The LGA data were produced with a postcode to LGA correspondence. While these transformation methods have introduced a slight 'distortion' into the estimates (see paragraphs 18, 52 and 53), it has not diminished the usefulness of the data and has provided additional confidentiality protection.

Geographic correspondences

49 The ABS uses geographic correspondences to enable the conversion of data from one type of geographic region to another. The geographic correspondences used for these data are expressed as conversion factors based on population.

50 The geographic identifier on the ATO database is the postcode of an individual's current home address at the time of completing the tax return. Consequently, postcode to SA2 conversion factors have been used by the ABS to transform aggregated postcode data to estimates for SA2, and these have then been used to aggregate the data up to SA3 and SA4 regions. The LGA data have been produced using a postcode to LGA correspondence. The correspondences are based on 2011 Census population distributions. For more information, or to view or download these tools, please access Correspondences on the Statistical Geography Portal, ABS website.

51 Applying correspondences:

- enables converted data to be more easily compared with other standard ABS output;
- enables the data to be output for other standard ABS geographic areas such as SA3, SA4, GCCSA and LGAs; and
- provides flexibility so that data can be provided for the various and different regions of interest being studied by users of regional data.

52 When analysing data transformed by correspondences, the following points need to be taken into account:

- In applying the correspondences it is assumed that the particular characteristics of any data item are uniformly distributed across a postcode area. Therefore, data transformed by correspondences may not truly reflect the distribution of the characteristics of the population. In some cases, where the same postcode is split across two or more SA2s and there are no other contributing postcodes, distinct numerical estimates will be derived but rates or averages will be identical for each SA2 (as these will be equivalent to the original rate or average of the contributing postcode);
- The conversion factors are based on total population only but have been applied across all ATO data items, i.e. the number of wage and salary earners, wage and salary income, total income and sex, age and occupation groups;
- Some official postcodes (such as PO boxes, etc.) do not correspond to residential areas but may still have been reported under the current home address field on the income tax return. Data for these and other 'invalid' postcodes, such as those due to incorrect reporting or processing errors, have been included in an 'unknown' category for each State and Territory and for Australia where the state or territory was not known;
- Data transformed by correspondences have been rounded so slight discrepancies may occur between sums of the component items and totals; and
- Some correspondences vary in terms of their quality, completeness and utility. Each ABS correspondence is published with a quality measure (for the overall correspondence) and quality indicators (for the many, specific region to region links within the correspondence). These can be viewed in tables 1 and 2 of each downloadable correspondence spreadsheet. The possibility of region to region mismatches arising from the presence of missing 'to units', or regions being below minimum output size, or the presence of null fields, are also recorded, in tables 4, 5 and 6 of each correspondence spreadsheet.

53 While care is taken in producing the correspondences, the ABS cannot guarantee the accuracy of data transformed by correspondences.

54 Some estimates for LGAs have been revised for 2005-06 to 2009-10, for this issue. Details in the latest LGA data cubes may differ slightly from those published in the previous issue. The ABS has applied a more direct geographic correspondence and then randomised small data cells (where necessary) to protect confidentiality and enhance data quality. In addition some previously published back data for other geographies have been revised to reflect recently supplied updates from the ATO.

Geographic regions

55 The statistics in this electronic release and accompanying data cubes are presented according to the Australian Statistical Geography Standard (ASGS), July 2011. Under this classification, statistical areas are defined as follows:

- **Local Government Areas (LGA):** These areas are the spatial units which represent the geographical areas of incorporated local government councils. LGAs include sub categories such as Cities (C), NSW Local Government Areas (A), Boroughs (B), Rural Cities (RC), Towns (T), Shires (S), District Councils (DC), Municipalities (M), SA Municipal Councils (M), SA Regional Councils (RegC), Qld Regional Councils (R) and SA Aboriginal Councils (AC).
- **Statistical Area Level 2 (SA2):** These are general purpose, medium sized areas designed to represent communities that interact socially and economically. SA2s generally have an average population of 10,000 persons, or a population size range of 3,000-25,000 persons, tending towards the lower limit of this range in rural and remote regions. There are 2,214 SA2s, covering the whole of Australia without gaps or overlaps.
- **Statistical Area Level 3 (SA3):** This geography has been created as a standard for the analysis of ABS data at broader geographies through the clustering of SA2s with similar regional characteristics. Generally, SA3s have a population size range of 30,000-130,000 persons. There are 351 SA3s, covering the whole of Australia without gaps or overlaps.
- **Statistical Area Level 4 (SA4):** These are aggregations of contiguous SA3s and the largest sub-state regions within the main structure of the ASGS. They have been primarily designed to output labour force data, reflecting recognised major labour market regions in each jurisdiction. Population size can range from 100,000 -300,000 persons, tending towards the lower limit in rural and regional areas. There are 106 SA4s, covering the whole of Australia without gaps or overlaps.
- **Greater Capital City Statistical Area (GCCSA):** These geographies, comprising 8 capital cities and their wider metro surrounds, are aggregations of SA4s. When combined with the 7 Rest of State/Territory regions, they cover the whole of Australia without gaps or overlaps, aggregating directly to all States and Territories. A slight exception: the entire Australian Capital Territory comprises one GCCSA, without a 'Rest of' regional component.

56 Further information regarding the ASGS regions, including the detailed classification, metadata, maps and downloadable boundary files, can be accessed from the ABS Statistical Geography Portal on the ABS website.

AVERAGE ANNUAL GROWTH RATE

57 The average annual growth rate is calculated as a percentage using the formula below, where W0 is the average Wages and salaries at the start of the period, Wn is the average Wages and salaries at the end of the period, and n is the length of the period (in years) between W0 and Wn.

$$[(W_n/W_0)^{1/n} - 1] \times 100$$

INCOME RANGES

58 The income ranges presented in the data cubes have been changed to reflect the ranges used for the 2011 Census of Population and Housing (ABS). Similar data from previous issues of this catalogue will not be directly comparable since the ranges have changed.

MAIN FEATURES

59 SA2 regions with less than 100 Wage and salary earners (persons) have been excluded from the commentary in the Main Features, although some details are available from the data cubes attached to this issue. Also, the statistics presented here relate to usual residents of the SA2s described.

Abbreviations

ABBREVIATIONS

ABS Australian Bureau of Statistics
AC Aboriginal Council
ACT Australian Capital Territory
ANZSCO Australian and New Zealand Standard Classification of Occupations
ASGC Australian Standard Geographical Classification
ASGS Australian Statistical Geography Standard
ATO Australian Taxation Office
B Borough
b billion/s
cat. no. Catalogue number
C City
CBD Central Business District
DC District Council

excl. excludes or excluding
FBT Reportable fringe benefits tax
GFC Global financial crisis
Govt Government
GCCSA Greater capital city statistical area
LGA Local government area
m million/s
M Municipality/Municipal Council
NSW New South Wales
NT Northern Territory
PAYG Pay as you go
Qld Queensland
R Regional Council
RC Rural city
S Shire
S/T State or territory
SA South Australia
SA2 Statistical Area Level 2
SA3 Statistical Area Level 3
SA4 Statistical Area Level 4
SIH Survey of Income and Housing
T Town
Tas Tasmania
Vic Victoria
WA Western Australia

Quality Declaration

QUALITY DECLARATION

INSTITUTIONAL ENVIRONMENT

These estimates of Wages and salaries income released by the ABS are sourced from the Australian Taxation Office (ATO). The ATO collects personal income tax information from the lodgement of personal income tax returns as part of their role to manage and shape tax, excise and superannuation systems that fund services for Australians.

The ATO compiles a range of data from this collection for release on the ATO website. An extract of personal income tax is provided to the ABS on an annual basis under a Memorandum of Understanding (MOU) between the ABS and the ATO.

All individual income tax statistics are provided to the ABS by the ATO in aggregated form only, at the postcode level. Information about individual taxpayers has not been released to the ABS.

For information on the institutional environment of the ABS, including the legislative obligations of the ABS, financing and governance arrangements, and mechanisms for scrutiny of ABS operations, please see ABS Institutional Environment.

RELEVANCE

Personal income data for Wage and salary earners are produced at regional (small area) level to provide valuable information about regional economies and the income of individuals resident in regions. Moreover, annual regional level income data are not available from existing ABS censuses and surveys.

The scope of the personal income tax data includes individuals who submit an individual income tax return to the Australian Tax Office.

Data items for individuals include number of 'taxable' and 'non-taxable individuals', and 'taxable income'.

The main statistical releases from ATO personal income tax data are:

1. Counts of taxable and non-taxable individuals, and amount of taxable income;
2. Number of persons and amount of income from Wages and salaries, Own unincorporated business,

- Investment, Superannuation and annuities, Other income (excluding Government pensions and allowances), Total income (excluding Government pensions and allowances);
3. Number of Wage and salary earners, income earned and average Wage and salary income by various cross-classifications (age, sex, occupation and income range).

Data for income categories in 2. and 3. above are aggregated from items in the individual income tax return, and are selected to conform as closely as possible to ABS Income Standards.

These statistical releases are presented at the following levels of geography as per the Australian Statistical Geography Standard (ASGS): Statistical Area Level 2 (SA2); Statistical Area Level 3 (SA3); Statistical Area Level 4 (SA4); Greater Capital City Statistical Area (GCCSA); Local Government Area (LGA); plus state/territory and Australia.

Occupation data for Wage and salary earners are presented using the Australian and New Zealand Standard Classification of Occupations (ANZSCO), First Edition.

TIMELINESS

Individuals may lodge income tax returns in respect of each financial year (1 July to 30 June). Personal income tax data are provided to the ABS approximately 22 months after the income year. Data are taken from an annual extraction from the ATO database as at 31 October each year (16 months after the income year). For example, data for the 2010-11 year was extracted as at 31 October 2012 and initially provided to the ABS over July - August 2013.

Once received the ATO data is subject to conversion (by ABS) to different geographies, extra confidentialisation (where required) and analysis. Extensive data cubes are also created for an array of ASGS geographies over time. Generally the ABS publishes the final estimates, 4 to 5 months after receipt of the source data from the ATO.

ACCURACY

Personal income tax data are derived from information contained in personal income tax returns lodged with the Australian Taxation Office. For the purposes of providing statistical measures for the entire population, the ATO database has some limitations in its coverage. Persons who receive less than the taxable income threshold are not necessarily required to lodge a tax return. This can include persons who derive their income from government pensions and allowances. Consequently, the coverage of low income earners, including people receiving government pensions and allowances is not complete in ATO records. In addition, a number of Commonwealth of Australia government pension, benefit and allowance payments are exempt from income tax and are therefore not required to be included in tax returns.

Data are provided by the ATO before the processing of all income tax returns for any given year may have been completed. Data provided to the ABS by the ATO are from returns processed up to 31 October, 16 months after the end of the financial year. It is estimated that approximately an additional 3% of taxpayers lodge their income tax returns in the twelve months after the initial processing cut off each year and approximately 5% of taxpayers lodge their income tax returns in the three years following the processing cut off. This means that data provided to the ABS underestimates the number of income earners and the total income they earn.

Caution should therefore be exercised in deducing that there are no people in an area with certain types of income and, in general, no reliance should be placed on table cells with small values.

COHERENCE

Personal income tax statistics can be impacted by changes to Tax legislation. The ATO outlines any such changes in their annual release of 'Taxation Statistics' on the ATO website.

Changes in the Occupation Classification from 2008-09 onwards

In 2009 the ATO moved from using the Australian Standard Classification of Occupations (ASCO) to the new Australian and New Zealand Standard of Occupations (ANZSCO), Version 1. This means that the ANZSCO occupation data presented in this issue - for 2009-10 and 2010-11 - are not comparable to occupation data featured in earlier issues.

Other ABS Data

Other ABS sources of income data include:

- the Survey of Income and Housing; and
- the Survey of Average Weekly Earnings.

The ABS Survey of Income and Housing (SIH) collects information on sources of income, amounts received and the characteristics of persons aged 15 years and over resident in private dwellings throughout Australia. Data collected from SIH can be compared to ATO personal income tax data published in Estimates of Personal Income for Small Areas (cat no. 6524.0.55.002) and Wage and Salary Earner Statistics for Small Areas (cat no. 5673.0.55.003) at the Australia level. Small area estimates are not released from the SIH. Comparison of these series for Australia can provide a means of assessing trends, establishing whether counts are of an expected magnitude and whether the distribution of income across the various sources is similar. The ATO personal income tax data contained in this release is generally consistent in magnitude with the estimates derived from the ABS Survey of Income and Housing at the Australia level.

The Survey of Average Weekly Earnings (AWE) is a six monthly sample survey of employing businesses. It collects data on average weekly earnings for full-time adult employee jobs, average weekly total earnings for all employee jobs, and average weekly ordinary time earnings for full-time adult employee jobs. Small area estimates are not released from AWE.

The Average Wages and Salaries data - as presented in Wage and Salary Earner Statistics for Small Areas (cat no. 5673.0.55.003) - can be compared at the Australia level with the 'average weekly total earnings for all employees jobs' from the survey of Average Weekly Earnings. These two series items are generally consistent in magnitude at the Australia level.

INTERPRETABILITY

Taxable income is calculated on the personal income tax as total income or loss minus total deductions.

Personal income tax data releases all contain detailed Explanatory Notes that provide information on scope and coverage, confidentiality, changes to the data over time, geographical presentation of the data, classifications and other technical aspects associated with these statistics.

ACCESSIBILITY

All personal income tax data provided to the ABS from ATO, is released to the ABS website in:

- National Regional Profile (contains Taxation Statistics, income estimates by source and Wage and salary earners statistics in html web pages, Excel spreadsheets and master csv files).
- Estimates of Personal Income for Small Areas (cat no: 6524.0.55.002) - contains a summary main features and Excel spreadsheets.
- Wage and Salary Earner Statistics for Small Areas (5673.0.55.003) - contains a summary main features and Excel spreadsheets.